

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 24056 01 OF 02 181838Z

65

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 L-03

H-02 PA-01 USIA-06 PRS-01 SP-02 SIL-01 LAB-04 SS-15

NSC-05 /083 W

----- 038343

R 181809Z AUG 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 4090

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY MADRID

FAA BRUSSELS

USMISSION EC BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 24056

E. O. 11652: N/A

TAGS: EAIR, EIND, FR

SUBJ: CIVAIR: MERCURE 200 PROJECT

REF: PARIS 23511

1. SUMMARY--TRADE UNION REACTION IN FRANCE TO GOF ANNOUNCEMENT OF MERCURE 200 PROJECT WAS WHOLLY NEGATIVE. OPPOSITION SPOKESMEN WERE ALSO CRITICAL. GOF HANDLING OF ANNOUNCEMENT WAS INEPT AND CAVAILLE HAS NOT ENHANCED HIS PRESTIGE. END SUMMARY.

2. REACTION IN FRANCE HAS BEEN LARGELY NEGATIVE TO LAST WEEK'S ANNOUNCEMENT BY STATE SECRETARY OF TRANSPORTATION CAVAILLE (REFTEL) OF GOF APPROVAL OF A
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 24056 01 OF 02 181838Z

DOUGLAS-DASSAULT-SNIAS CONSORTIUM TO BUILD THE

MERCURE 200 AIRLINER. IN FACT, THE LOUDEST OUTCRY AGAINST THE DECISION HAS COME FROM TOULOUSE, FROM THE TRADE UNION SECTIONS AT THE SNIAS PLANT WHERE THE ASSEMBLY LINE FOR THE MERCURE 200 WOULD BE LOCATED.

3. TRADE UNION REACTION TO THE GOF DECISION WAS IMMEDIATE AND OVERWHELMINGLY NEGATIVE. THE CFDT LOCAL AT SNIAS CLAIMED TO BE "DUMBFOUNDED". THE CGC LOCAL WAS "SCANDALIZED" AND CALLED FOR THE RESIGNATION OF BOTH CAVAILLE AND GEN. MITTERAND, PRESIDENT OF SNIAS. THE CGT LOCAL AT SNIAS VOICED SUSPICION OF ANY ARRANGEMENT INVOLVING DOUGLAS BECAUSE OF THE CARAVELLE "FIASCO" (I.E., A REFERENCE TO THE ARRANGEMENT SEVERAL YEARS BACK UNDER WHICH DOUGLAS UNDERTOOK TO MARKET THE CARAVELLE IN THE US BUT THEN QUIETLY WENT AHEAD TO DEVELOP A DIRECTLY COMPETITIVE AIRCRAFT IN THE DC-9). CFDT METALWORKERS UNION IN PARIS ISSUED A COMMUNIQUE CALLING CONSTRUCTION OF THE MERCURE 200 "CONTRARY TO THE INTERESTS OF THE WORKERS IN THE AERONAUTICAL INDUSTRY AND TO THE INTERESTS OF THE COUNTRY" AND THEY ATTACKED THE "GISCARD POLICY" OF CHOOSING AN AMERICAN PARTNER TO MARKET WHAT FRENCH INDUSTRY BUILDS.

4. ALL UNIONS DEPLORED THAT THE PROJECT SEEMED TO SPELL AN END TO EFFORTS TO DEVELOP A EUROPEANWIDE AIRCRAFT INDUSTRY. THEY WERE BITTER THAT DASSAULT, A PRIVATE FIRM, WILL GET THE DESIGN WORK AND BE PROJECT MANAGER FOR THE MERCURE 200 ("A DIALOGUE BETWEEN DASSAULT AND DOUGLAS," SAYS THE CFDT) WHILE THE ALREADY UNDEREMPLOYED DESIGN STAFF OF SNIAS AT TOULOUSE WOULD BE PASSED OVER.

5. THE CGT SECTION AT SNIAS DISMISSED AS SO MUCH "BLUFF" CAVAILLE'S CLAIM THERE WOULD BE A MARKET FOR SOME 800 MERCURE 200'S. THE FORCE OUVRIERE SECTION AT SNIAS ALSO ARGUED THERE WOULD BE "NO MARKET" FOR THE MERCURE 200. ALAIN SAVARY, SOCIALIST DEPUTY IN THE NATIONAL ASSEMBLY AND PRESIDENT OF THE CONSEIL GENERAL OF THE MIDI-PYRENEES REGION, WAS ALSO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 24056 01 OF 02 181838Z

SKEPTICAL OF CHANCES FOR COMMERCIAL SUCCESS OF THE MERCURE 200, GIVEN THE SORRY HISTORY OF ITS PREDECESSOR, THE MERCURE 100. SAVARY TOLD THE PRESS THE GOF DECISION WAS "BAD NEWS" WHICH WOULD SPELL THE END OF THE DESIGN STAFF AT SNIAS "WHOSE TECHNICAL EXPERTISE HAD PRODUCED CONCORDE AND AIRBUS".

6. THE COMMUNIST GROUP IN T NATIONAL ASSEMBLY

ANNOUNCED ON AUGUST 16 THAT AS SOON AS THE ASSEMBLY
RECONVENED THEY WOULD RENEW EFFORTS TO DEBATE POLICY
FOR THE FRENCH AEROSPACE INDUSTRY WHICH IN THEIR VIEW
SHOULD ENSURE THE INDEPENDENCE OF THE FRENCH INDUSTRY,
NOTABLY BY ITS FULL NATIONALIZATION. THEY CALLED FOR
CONTINUATION OF THE CONCORDE PROGRAM AND DEVELOPMENT
OF FUTURE GENERATIONS (OF SST'S), DEVELOPMENT OF OTHER
PROGRAMS FOR CIVIL AIRCRAFT, "AND REFUSAL OF ANY
SUB-CONTRACTING WHEREBY AMERICAN FIRMS COULD BENEFIT

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 24056 02 OF 02 181913Z

65

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 L-03

H-02 SS-15 NSC-05 PA-01 USIA-06 PRS-01 SP-02 SIL-01

LAB-04 /083 W

----- 038878

R 181809Z AUG 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 4091

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY MADRID

FAA BRUSSELS

USMISSION EC BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 24056

FROM FRENCH TECHNOLOGY". GEORGES MARCHAIS, SYG OF
COMMUNIST PARTY, REPEATED THIS SAME LINE AT A MEETING

WITH SNIAS WORKERS IN PARIS ON AUGUST 18. THE CGT SECTION AT TOULOUSE IN ITS COMMUNIQUE HAD ALSO COMPLAINED OVER ABSENCE OF PARLIAMENTARY DEBATE AS WELL AS ANY CONSULTATION OF THE TRADE UNIONS BY THE GOF BEFORE ANNOUNCING ITS DECISION. (THE PRESS REPORTS THAT CAVAILLE IS NOW BELATEDLY BEGINNING A ROUND OF MEETINGS WITH TRADE UNION DELEGATIONS TO DISCUSS THE PROJECT.) LES ECHOS EXPECTS THAT IN VIEW OF THE ADVERSE REACTION THE GOF DECISION HAS GENERATED A PARLIAMENTARY DEBATE MAY NOW BE INEVITABLE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 24056 02 OF 02 181913Z

7. IN A COMMUNIQUE ADDRESSED TO SNIAS WORKERS ON AUGUST 16, GEN. MITTERAND STRESSED THAT THE GOF HAS ONLY TAKEN A DECISION IN PRINCIPLE AND MANY DETAILS REMAIN TO BE WORKED OUT; HE URGED THE WORKERS TO WITHHOLD JUDGMENT ON THE PROJECT UNTIL THE FINAL ARRANGEMENTS ARE KNOWN.

8. THE PRESS HAS REPORTED UNFAVORABLE REACTIONS FROM THE BRITISH AND THE GERMANS TO THE MERCURE 200 PROJECT AS ANNOUNCED BY THE GOF. SOME OF THIS REACTION WAS MADE KNOWN TO THE FRENCH AT A MEETING IN PARIS ON AUGUST 16 OF THE EUROPEAN COMPANIES PARTICIPATING IN THE AIRBUS PROGRAM AND WHICH LORD BESWICK OF THE UK ALSO ATTENDED.

9. COMMENT: UNKIND WORDS BY OPPOSITION PARTIES IN FRANCE WERE TO BE EXPECTED AFTER THE GOF ANNOUNCEMENT. WHAT IS SURPRISING, HOWEVER, WAS THE BLANKET CONDEMNATION OF THE PROJECT BY ALL THE TRADE UNION ORGANIZATIONS IN THE FRENCH AIRCRAFT INDUSTRY. ONE WOULD HAVE THOUGHT, AS CAVAILLE CERTAINLY DID, THAT PREOCCUPATION WITH JOB SECURITY AT SNIAS WOULD HAVE MADE THE WORKERS THERE AND THEIR UNION REPRESENTATIVES WELCOME THE NEWS THAT A NEW MAJOR ASSEMBLY LINE WOULD BE LOCATED AT SNIAS EVEN THOUGH THE SNIAS DESIGN STAFF (BUREAU D'ETUDES) MIGHT NOT GET ANY NEW WORK FROM THE PROJECT. THE ADVERSE REACTION OF THE UNIONS IS PROBABLY ATTRIBUTABLE IN THIS CASE TO A NUMBER OF FACTORS INCLUDING HEAVY POLITICIZING OF UNION ACTIVITY IN FRANCE (CGT AND CFDT IN PARTICULAR); COMPANY PRIDE AT SNIAS (UNIONS AT DASSAULT HAVE REMAINED SILENT); AND NATIONALISM AS REFLECTED BY PIQUE AT US PARTICIPATION, PREFERENCE FOR "GOING IT ALONE" OR AT LEAST WITH EUROPEAN PARTNERS. AND IT MAY JUST BE THAT ON SUBSTANTIVE GROUNDS SOME OF THE UNIONS ARE RIGHT AND, IN FACT, THE MERCURE 200 IS SIMPLY NOT A SOUND OR

COMMERCIALLY WISE PROJECT. BE THAT AS IT MAY, THE
WHOLE BUSINESS WOULD CERTAINLY SEEM TO HAVE BEEN
INEPTLY HANDLED ON THE GOF SIDE. WHILE SEPARATE
NEGOTIATIONS HAVE BEEN GOING ON FOR SOME TIME WITH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 24056 02 OF 02 181913Z

DOUGLAS AND WITH BOEING, THE GOF ANNOUNCEMENT WAS
MADE ALMOST PRECIPITOUSLY AND WITH NO APPARENT EFFORT
TO PREPARE PUBLIC OPINION IN ADVANCE. (CAVAILLE HIM-
SELF HAD TOLD US ON MORE THAN ONE OCCASION,
AS DEPT. WILL RECALL, THAT NO DECISION WOULD BE
ANNOUNCED BEFORE THIS FALL. BOEING LEARNED OF GOF
DECISION ONLY THROUGH THE PRESS. SENIOR EXECUTIVE
OF UNITED TECHNOLOGIES WHO WAS VISITING PARIS TOLD
US ONLY DAY BEFORE GOF ANNOUNCE-
MENT HE WAS CONFIDENT SNIAS-BOEING DEAL WOULD FINALLY
BE APPROVED.) CAVAILLE'S CHOICE OF TOULOUSE FOR
ANNOUNCEMENT CERTAINLY BACKFIRED, WHICH IS FURTHER
EVIDENCE OF HOW GROSSLY HE SEEMS TO HAVE MISREAD
THE SITUATION. LES ECHOS COMMENTS TARTLY THAT IN
TOULOUSE CAVAILLE "HAD EXPECTED TO BE HAILED AS
A SAVIOUR". WELL, HE WASN'T AND HE IS A SADDER--
THOUGH UNFORTUNATELY PERHAPS NO WISER- MAN TODAY AS
A RESULT.
GAMMON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, AGREEMENTS, PRODUCTION, COMMERCIAL AIRCRAFT, JOINT VENTURES, DEVELOPMENT PROGRAMS, LABOR UNIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PARIS24056
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760317-0226
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760842/aaaabklp.tel
Line Count: 252
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 PARIS 23511
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 06 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 APR 2004 by CunninFX>; APPROVED <06 APR 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: MERCURE 200 PROJECT
TAGS: EAIR, EIND, FR, US, MCDONNELL DOUGLAS, AEROSPATIALE, DASSAULT COOPERATION
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006